



Hindustan Oil Exploration Company Limited

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20.04.2017

By Online

The Listing Department The National Stock Exchange of India Ltd., "EXCHANGE PLAZA", Bandra Kurla Complex, Bandra (East), MUMBAI – 400 051 Stock Code: HINDOILEXP	The Corporate Relationship Department BSE Limited, 1st Floor, P. Jeejeebhoy Towers, Dalal Street, MUMBAI – 400 001 Stock Code: 500186
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Dear Sirs,

Sub: Investor Presentation

In connection with the Earnings Call Invite scheduled on Friday, April 21, 2017, please find attached the Investor Presentation.

The above information is also available on the website of the Company – www.hoec.com.

We request you to kindly take the same on records and disseminate to public.

Yours Sincerely,

For Hindustan Oil Exploration Company Limited

G Josephin Daisy
Company Secretary

Encl.: a/a



INVESTOR PRESENTATION, 20 APRIL 2017

INDIA'S FIRST PRIVATE OIL AND GAS COMPANY



Transforming Through Talent And Technology

HINDUSTAN OIL EXPLORATION COMPANY LIMITED

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FY 16-17 Highlights

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Company Overview

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Growth Strategy

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Key Strengths

FY 2017 Highlights & FY 2018 Plans



Strong financials

- ❑ Debt free balance Sheet & self funding for organic growth.
- ❑ Gross working capital ₹ 225 Crores includes ₹ 186 Crores cash and cash equivalent

Dirok development on course

- ❑ Dirok -phase-1 development completed and ready to flow of gas.
- ❑ Plan to produce 10 mm scfd by June 2018 and increase to 25 mm scfd by Q2 of 2018
- ❑ 12" pipeline and Modular Gas Processing Plant construction in progress
- ❑ Field facilities will have capacity to process 36 mm scfd (1 mm scmd)

Offshore revival plan

- ❑ PY-3 -Alternate Integrated Field Development Plan (AIFDP) submitted to all stakeholders
- ❑ Revival of production within 9 months subject to approval by stakeholders
- ❑ PY-1- Review of G & G model is in progress
- ❑ Re-entry and completion of an existing well is under review to enhance production

Focus on growth

- ❑ B-80 -(Mumbai High offshore) and Kherem (North East) discovered fields RSC under DSF executed on 27 March, 2017
- ❑ 97 sq. km. additional acreage in CB-ON-7(Palej Gujarat) PSC to be executed shortly

Strong portfolio of Discovered Resources in India with a judicious mix of development and production assets

Founded as the very **First Oil and Gas Company** in private sector by late **Shri. H. T. Parekh**

Diverse Investors with **Professional Board**
Debt free balance sheet with funds for **Organic Growth**

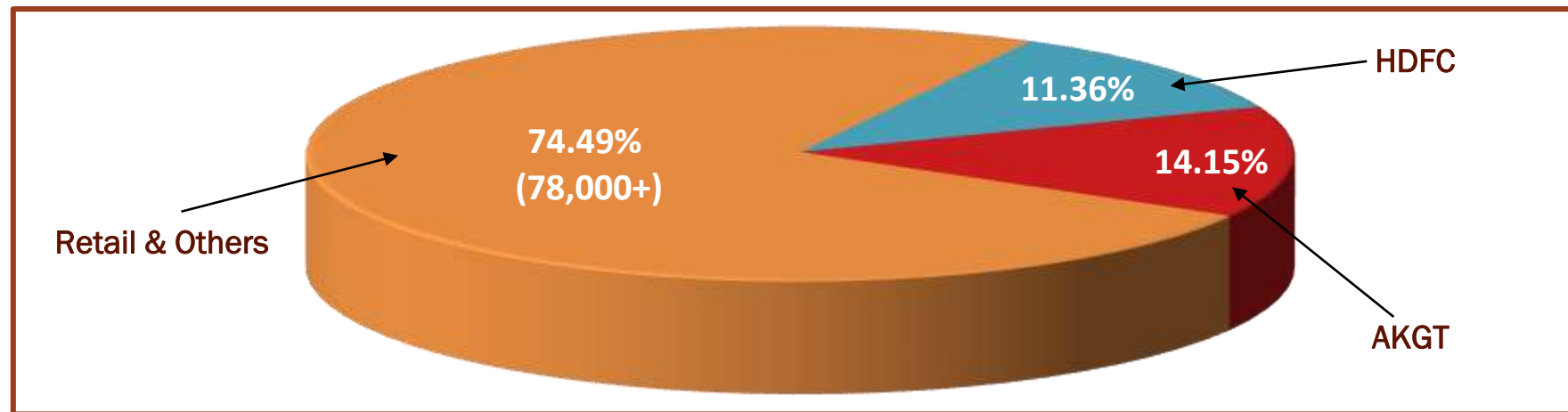
Portfolio of 9 Blocks with discovered resources
5 Onshore (2 North East, 3 Gujarat) **4 offshore**
(2 West Coast & 2 East Coast),

Presence in **4 of 6 Producing Basins** in India
(**Mumbai offshore, Cauvery, Cambay & Assam-Arakan**)

HOEC Shareholding Pattern & Board Members



Shareholding Pattern (more than 10 %)



Board of Directors



Sunil Behari Mathur
Chairman



P.K. Borthakur
Director



Sharmila Amin
Director



P. Elango
Managing Director



R. Jeevanandam
Director & CFO

Focus on North East

- Step up gas production to 25mmscfd by Q2 FY 18
- Evaluate to increase production with total 6 wells
- Complete surface facilities with capacity of 36 mmscfd (1mmscfd)
- Recast the reserves on completion of the 6th well
- Evaluate early production from Kherem

Enhance Cambay

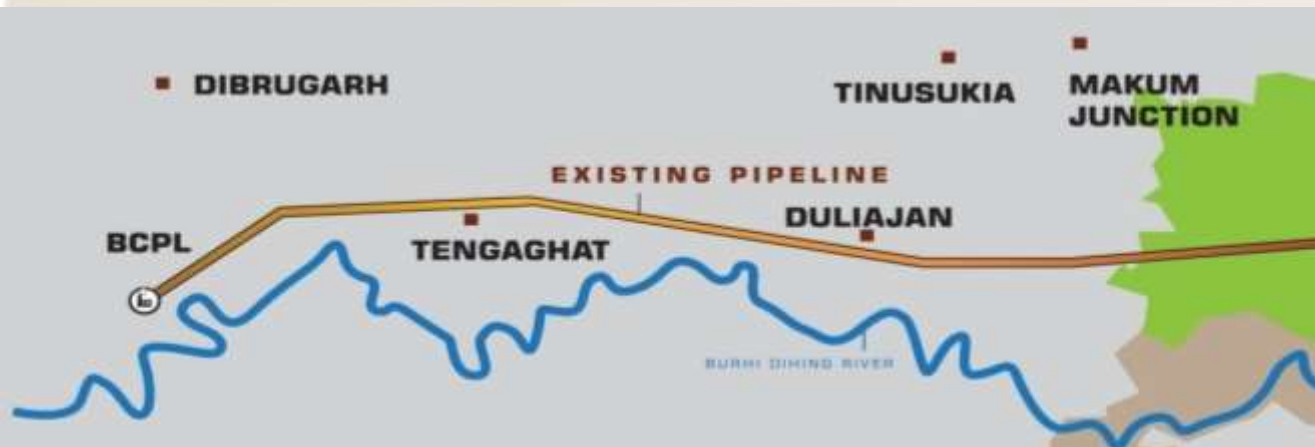
- Execute PSC for R2 Area
- Fast track committed 3D Seismic and 2 wells I
- Infuse capital to enhance production from existing fields

Revive Offshore

- PY-3 -revive 3000 bbls/d shut in from existing well (subject to Approvals)
- Evaluate re-entry of PY-1-12 well to enhance production
- Fast track development of B-80to deliver First Oil



Assam (AAP-ON-94/1): Step-up Production



H1 FY 2018

- Phase 1 facilities completed and tested to flow gas on 31 March 2017
- Government of Assam is expected to issue Petroleum Mining Lease (PML) by May 2017 to OIL to actualize commercial sales
- Plan to produce 10 mmscfd by June 2018 and increase to 25mmscfd by Q2 FY 2018
- Fifth well under drilling & sixth well approved
- 12" pipeline and Modular gas processing plant is under construction with a capacity to process 36 mmscfd (1 mmscmd)



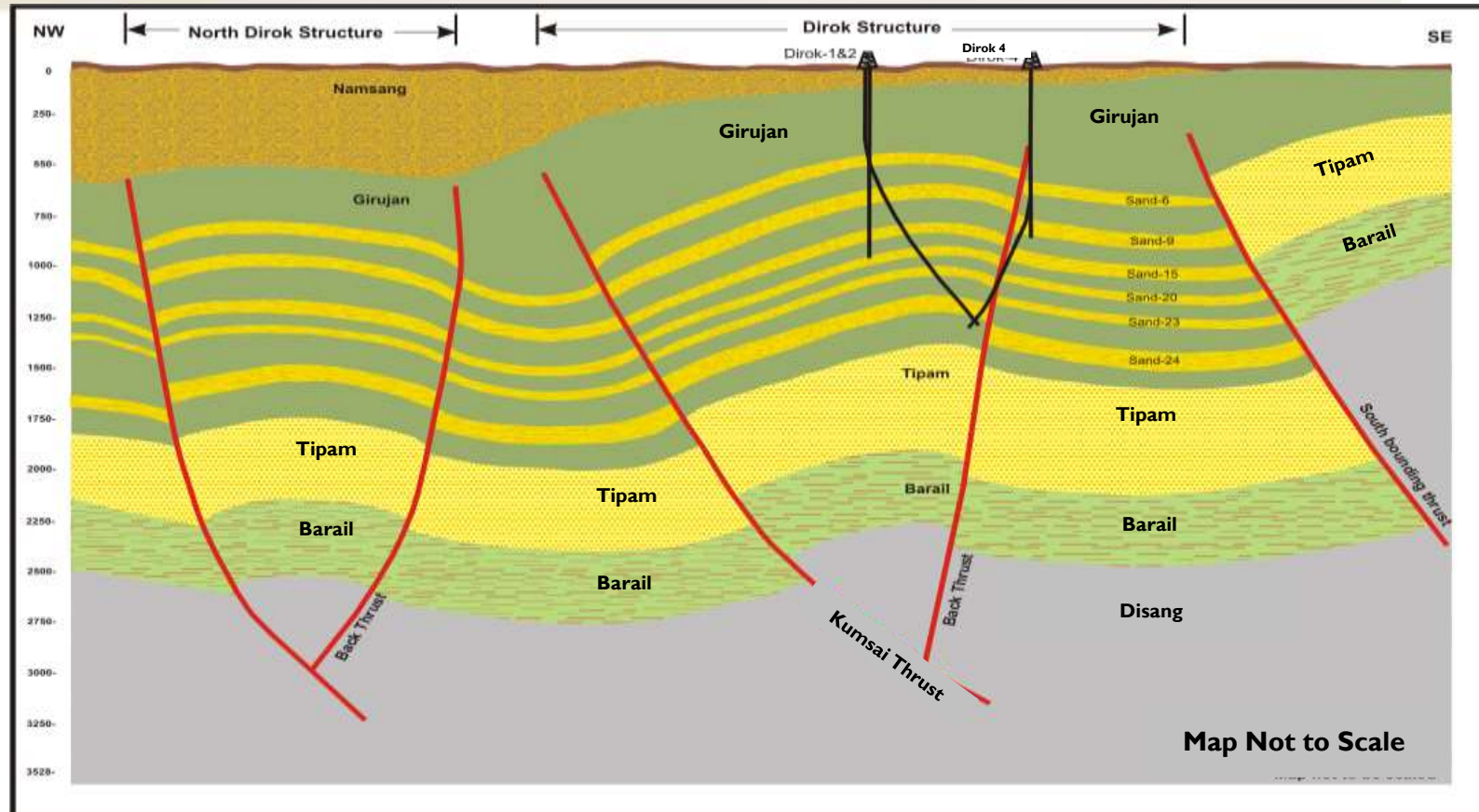


Attractive Payout

- Past Cost (Exploration & Appraisal) carry of \$100 Million, HOEC entitled to 40 % revenue share in initial years
- Cess and Royalty is paid by the licensee Oil India Limited
- No profit petroleum during initial years
- About 75 % operating margin at a price of \$ 2.75/mmbtu valid till Sept 17. Field operating cost is in the order of \$ 0.60 /mmbtu
- Condensate to get International crude oil price
- Oil India Limited & IOC to buy all the produced gas and condensate through the constructed pipeline



Growth Opportunity: Prolific Dirok



- ❑ Dirok field - 110 Sq. Km. is endowed with Girujan, Tipam and Barail Formation
- ❑ Potential exist for both increasing reserves and improved recovery factor on well performance.
- ❑ Application being filed to obtain Environmental Clearance (EC) for drilling additional wells.



PY-1 – Undeveloped Resources to be Accessed



Significant resource base

- Significant resources exists for additional drilling
- Existing facilities can handle additional production
- Techno-commercial risks are being evaluated

Synergies with PY-3 field

- Proposal on synergy with adjoining PY-3 block to optimize the operating cost to the benefit for all stakeholders is submitted. Approval from the stakeholders of PY-3 is awaited.

Planned Activities

- G&G model of PY-1 is being reviewed
- Re-entry and completion PY-1-12 is evaluated to enhance production from PY-1

Opportunities

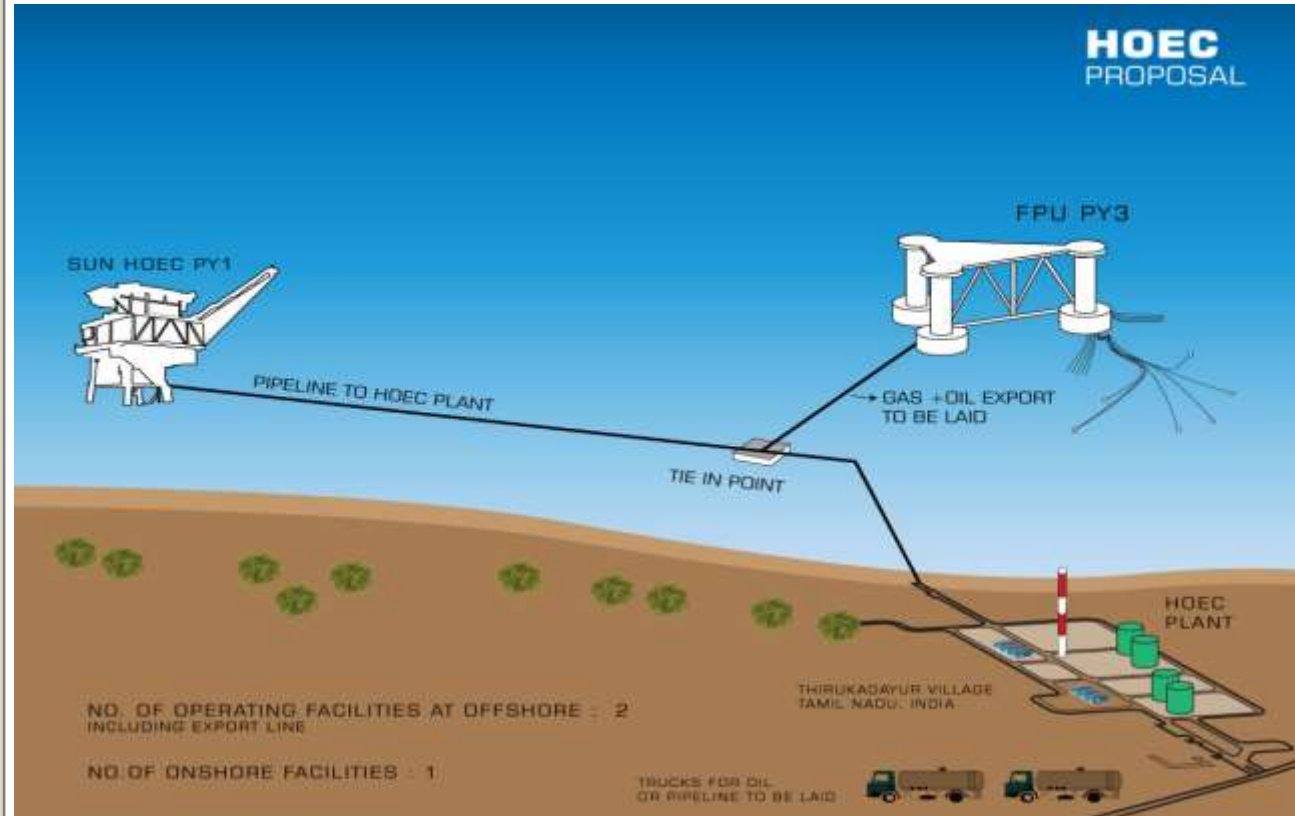
- Substantial facilities to handle the increase in production.
- Additional development only through marginal cost of re-entry and completion of an existing well.
- New wells to target undrilled prospects on successful re-entry



PY3 and PY1 Integration



- ❑ PY-3 field was shut-in on 31 July 2011 when it was producing 3000+ bopd without any sub-surface issues.
- ❑ Field has potential to produce 7000+ bopd with an additional well and side track of one existing well.
- ❑ HOEC has 21% stake in PY-3 operates PY-1 Gas field with an offshore platform and onshore processing facilities close to PY-3 field
- ❑ Integration of PY-1 and PY-3 facilities though a 6 Km offshore pipeline is feasible and most cost effective to revive production from PY-3.
- ❑ Alternate Integrated Field Development Plan (AIFDP) for PY-3 was submitted to stakeholders and awaiting approval.

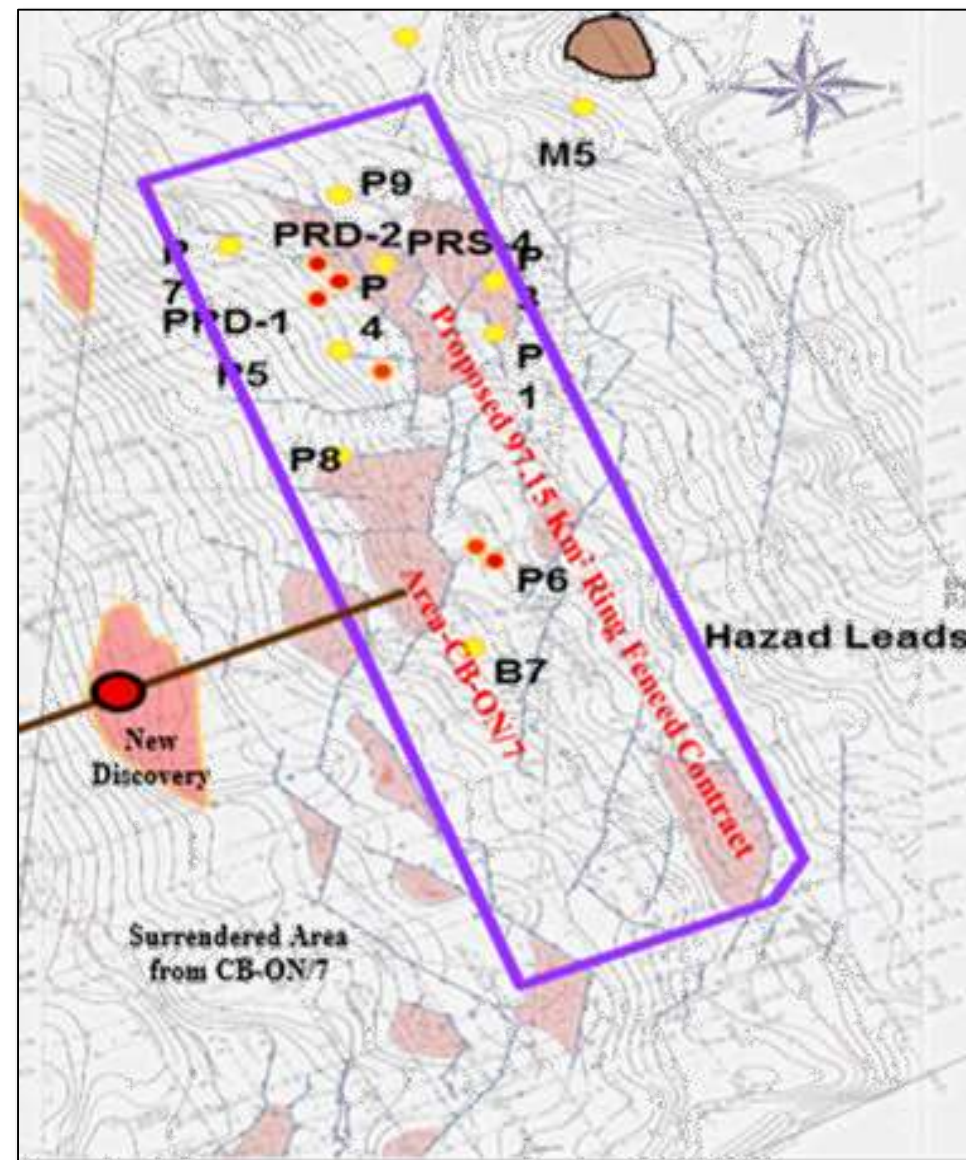




CB-ON-7 R2 Area



- ❑ Government is to grant 97.15 Sq. km of ring-fenced R2 area to JV of HOEC and GSPC through New PSC
- ❑ Proposed PSC envisages minimum commitment of 3D seismic acquisition and drilling of 2 wells.
- ❑ PSC likely to be executed by Q1 FY 2018
- ❑ Plan to fast track 3D seismic acquisition and drilling
- ❑ Facilities available at Palej for early Production





Cambay Marginal Fields



**North
Balol
(PI: 25%)**

Wells: 9 wells (2 Producing)
Reservoir : Balol, Babaguru & Kand
Sands
Avg Prod. FY 16-17 (100%):
0.38 mmscfd

Reserves : 2P (100%): **6.79 BCF**

**Asjol
(PI : 50%)**

Wells : 6 wells (2 Producing)
Reservoir : Upper Suraj Pay
Sandstone
Avg. Prod. FY 16-17(100%) :
15 bopd

Reserves : 2P (100%): **0.6 mmbbls**

**CB-ON-7
(PI : 35%)**

Wells : 6 wells (3 Producing)
Reservoir : Hazad Sands of
Ankleshwar
Avg. Prod. FY 16-17 (100%):
100 bopd

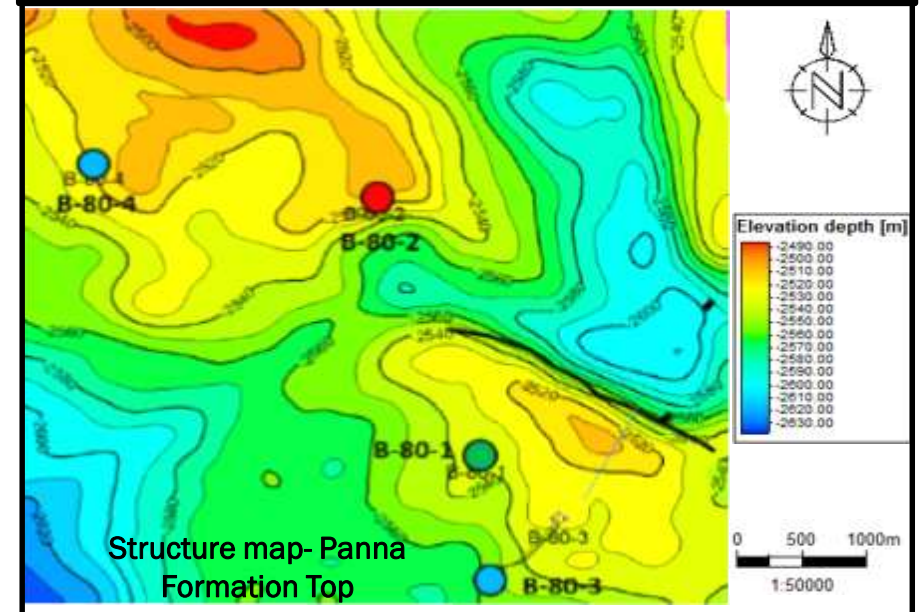
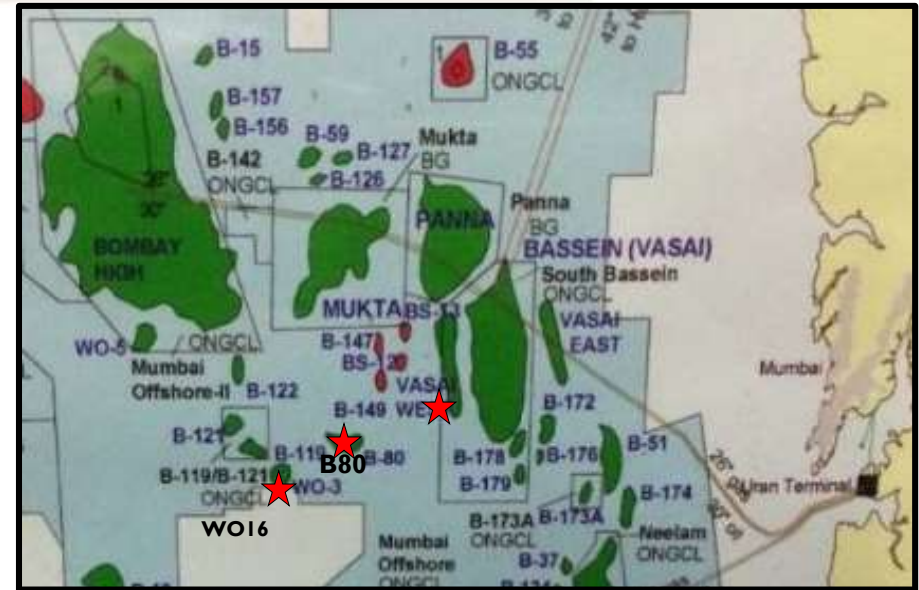
Reserves : 2P (100%): **0.359 mmbbls**

DSF 2016: MB/OSDSF/B-80/2016

- ❑ **Block Area:** 56 Sq. Km. **Water depth:** ~80-90 m
- ❑ **Drilled Wells:** 5
- ❑ **Tested Production:**
 - Oil 3,737 bopd
 - Gas 7.90 mmscfd
- ❑ **Discovered Resources:**

Resources	DSF Data Pack Million BBLs	HOEC – Estimate Million BBLs
STOIIP	13	40
GIIP (BCF)	10	26

- ❑ **Reservoir Properties:**
 - Two pay zones Panna 200 and 300
 - Average Porosity, S-I : 8.5%, S-III: 16.9%
 - Permeability : 130 – 700 mD
 - Light oil - 35°API, 0.3 cP
- ❑ Nearest ONGC facilities about 20 kms away



DSF 2016: AA/ONDSF/ Kherem/2016



❑ **Block Area:** 16.45 Sq. Km.

❑ Drilled Wells: 3

❑ Tested Production:

- Oil 402 bopd
- Gas not measured

❑ **Discovered Resources:**

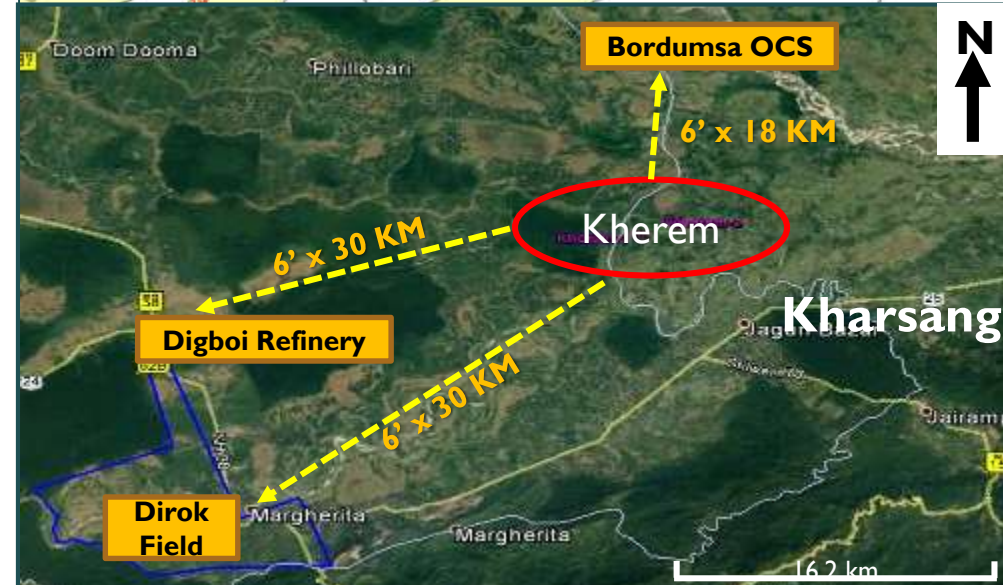
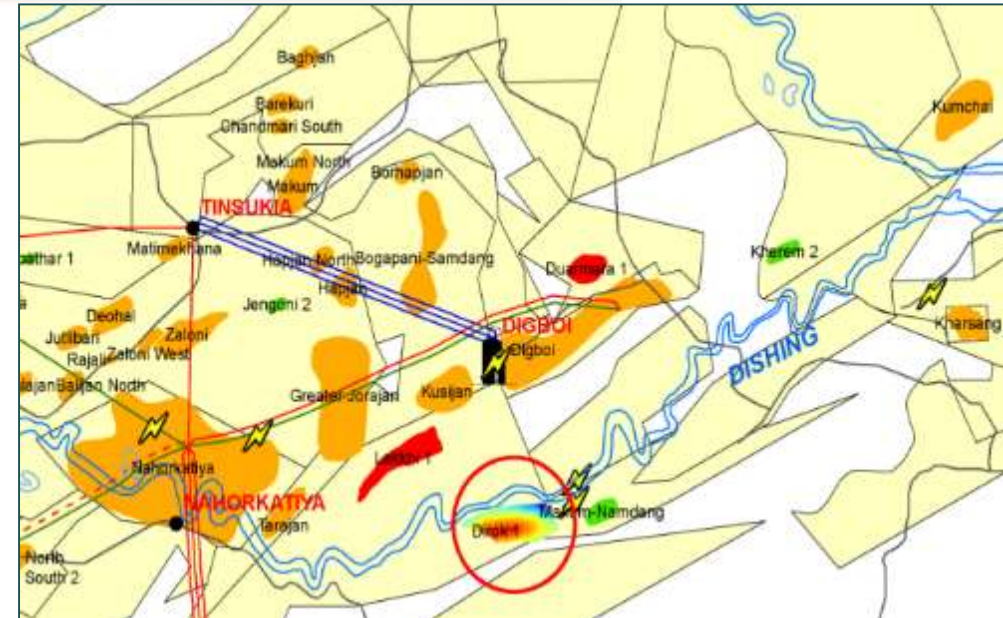
Resources	DSF Data Million BBLs	HOEC Internal Million BBLs
STOIP	3	10.27
GIIP (BCF)	17	54.19

❑ **Reservoir Properties:**

- Two pay zones Girujan pay -1 & pay - 2
- Average Porosity, 14%
- Light oil – 38.7°API

❑ Nearest facilities :

- ❑ Bordumasa Oil collecting Station via 6” pipeline 18kms
- ❑ Digboi Refinery, via 6” pipeline 30 kms



Key Strengths



Proven development and operating experience in both onshore and offshore with multiple JV partners

Professional management & competent technical team with rich oil and gas experience

Debt free balance sheet & Investment cycle to cash 12-18 months . Ability to raise capital for inorganic growth.

All 9 blocks with 5 onshore and 4 offshore have discovered resources with potential up side.

Proven competence in marginal field. Ability to execute on fast track with low cost.



ANNEXURE



Statement of profit & loss



Particulars	Q4 FY 16-17 ₹ Millions	Q3 FY 16-17 ₹ Millions	FY 16-17 ₹ Millions	FY 15-16 ₹ Millions
INCOME				
Revenue from operations	80	55	250	283
Other income	33	42	171	88
Total revenue	113	97	421	371
EXPENSES				
Share of expenses - producing oil and gas blocks	32	29	113	125
Decrease/(Increase) in stock of crude oil	11	1	(3)	22
Employee benefits expense	3	3	12	25
Depreciation, depletion and amortization	21	18	95	121
Finance costs	-	-	-	47
Exploration costs written off	-	-	-	2
Other expenses	12	4	81	47
Write off - obsolete inventories	-	-	10	-
Total expenses	79	55	308	389
Profit/(loss) before tax and exceptional Items	34	42	113	(18)
Exceptional Items	64	-	290	52
Profit from ordinary activities before tax	98	42	403	34
Adjustment of tax relating to earlier periods	-	-	39	(1)
Net profit/loss for the period	98	42	364	35
Other comprehensive income	-	-	(1)	-
Total comprehensive income	98	42	363	35

Statement of Assets and Liabilities Audited



ASSETS	As at	As at	EQUITY AND LIABILITIES	As at	As at
	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16
	₹Millions	₹ Millions		₹ Millions	₹ Millions
Non-current assets			Equity		
(a) Property, Plant and Equipment			(a) Equity share capital	1,305	1,305
(i) oil and gas assets	2220	599	(b) Other equity	2,009	1,645
(ii) others	77	79	Total equity	3,314	2,950
(b) Capital work in progress	61	1,301			
(c) Intangible assets	20	-	Non-current liabilities		
(d) Financial Assets			(a) Financial liabilities		
(i) Investments in subsidiary	5	5	(i) Trade payables	221	263
(ii) Site restoration deposit	514	480	(b) Provision for site restoration	936	962
(iii) Other financial assets	-	12	(c) Other non-current liabilities	2	1
(e) Income tax assets (Net)	-	-	Total non-current liabilities	1,159	1,226
(f) Deferred tax assets	-	-			
Total non-current assets	2,897	2,476	Current liabilities		
Current assets			(a) Financial liabilities		
(a) Inventories	247	224	(i) Trade payables	178	66
(b) Financial assets			(i) Other financial liabilities	493	536
(i) Investments	1,510	662	(b) Other current liabilities	7	4
(ii) Trade receivables	47	22	Total current liabilities	678	606
(iii) Cash and bank balances	284	482			
(iv) Other Bank balances	59	50			
(v) Other financial assets	9	-			
(c) Income tax assets (net)	93	857			
(d) Other current assets	5	9			
Total current assets	2,254	2,306			
TOTAL	5,151	4,782	TOTAL	5,151	4,782

Investment Multiples



Block	AAP-ON-94/1	PY-1	PY-3	N. Balol	Asjol	CB-ON-7
Royalty & Cess	Nil (Licensee)	10%	Nil (Licensee)	10%	Nil (Licensee)	Nil (Licensee)
Cost Recovery limit	80%	100%	100%	80%	100%	60%
Investment Multiple						
<1	0%	0%	0%	20%	0%	0%
1<1.5	10%	5%	5%	20%	10%	25%
1.5<2	25%	5%	5%	30%	20%	30%
2<2.5	35%	50%	50%	50%	30%	35%
2.5<3	45%	50%	50%	50%	40%	40%
3<3.5	50%	50%	50%	50%	50%	45%
>3.5	50%	50%	50%	50%	50%	50%



Development Cost Optimized Through Innovation



Logbaba EPF- Camereroon Built by Expro



- Early Monetisation through a 4" parallel pipeline to connect to OIL India Gas Process facility at Kusijian

- Adoption of Modular Gas Processing (M-GPP) on Opex Model results in
 - ✓ Reduction in capitals costs.
 - ✓ Reduction in Project lead time

- M-GPP contract on build, maintenance and operate (BMO) model awarded to Expro, UK
- Off-Site Work on M-GPP Commenced



P ELANGO

Managing Director

- Over 28 years of experience in Upstream Oil & Gas Sector
- Held several leadership roles in different areas of the business and is a recognized leader in the Indian industry
- Earlier CEO of Cairn India, played a key role in building Cairn into a leading Oil & Gas company operating over 30% of the crude oil production in India
- Started career with ONGC
- One of the five finalist for Platts' first-ever Asia CEO of the Year award 2013
- Holds Masters degree in Business Administration



Ramasamy Jeevanandam

CFO & Director

- Over 30 years of experience in Upstream Oil & Gas Sector
- Earlier Vice President at Aban Offshore and CFO at Hardy Exploration & Production (India) Inc
- Started career with ONGC
- Certified Public Accountant, USA, Chartered Global Management Accountant, USA, Qualified Cost Accountant, Chartered Financial Analyst, and Company Secretary with a Bachelor's Degree in Law

Strong Technical Capabilities



B. C. Gariya
Exploration Manager &
Head Technical HOEC



Sagar N. Mehta
Head-Cambay Business Unit



P R Krishna
Asset Manager (Assam) &
Head – Contracts & Procurement



Debabrata Panda
Head – Drilling & Completions



Indreshwar Bharali
Advisor (Infrastructure)



P. B. Raju
Senior Advisor (Part Time)
Petrophysist



S. S. Josyula
Chief Technical Advisor
(Part Time)



D. S. Mohan
Senior Advisor (Part time)
Geology

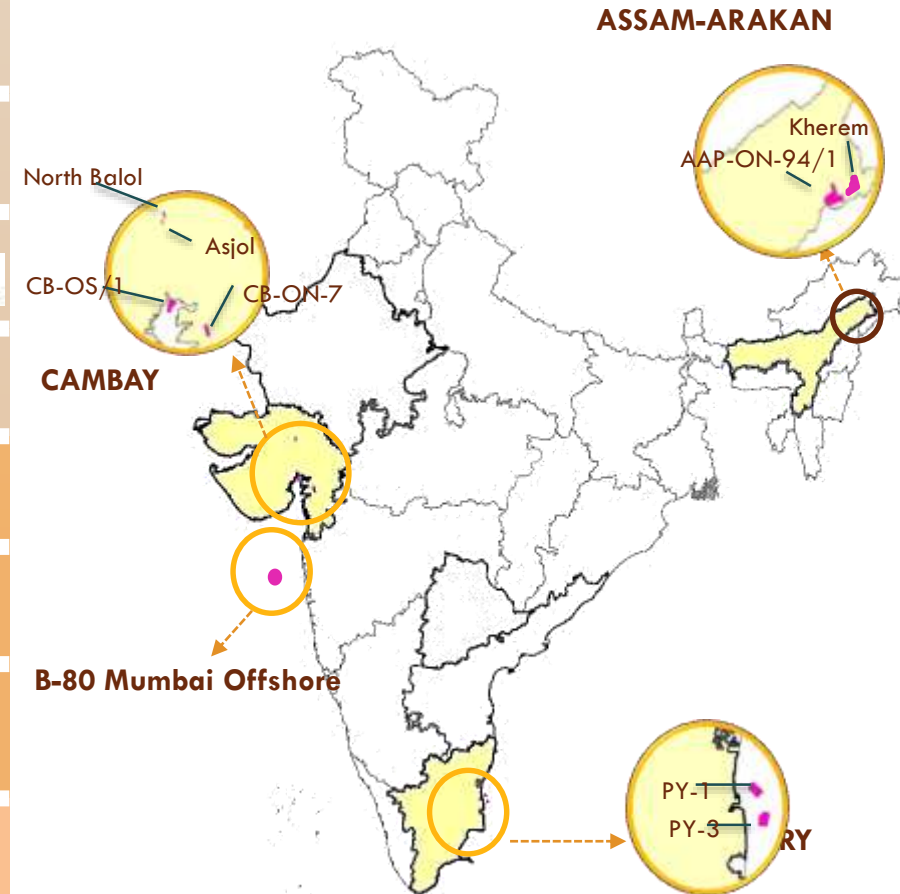


Rajan Kumar
Senior Advisor (Part Time)
Petroleum Development

Asset Portfolio (Production / Development)



Block Name	Operator	Location	Oil/Gas	PI	Partner(s)
PY-1	HOEC	Offshore	Gas	100%	Nil
CB-ON-7	HOEC	Onshore	Oil	35%	GSPC ONGC
North Balol	HOEC	Onshore	Gas	25%	GSPC GNRL Oil & Gas Ltd.
Asjol	HOEC	Onshore	Oil	50%	GSPC
AAP-ON-94/1	HOEC	Onshore	Gas	27%	Oil India Limited IndianOil
MB/OSDSF/ B-80/2016	HOEC	Offshore	Oil & Gas	50%	Adbhoot Estates Pvt Ltd
AA/ONDSF/ Kherem/2016	HOEC	Onshore	Oil & Gas	40%	Oil India Limited Prize PETROLEUM
CB-OS/1	ONGC	Offshore	Oil	38%	ONGC TATA PETRODYNE LIMITED
PY-3	HEPI	Offshore	Oil	21%	TATA PETRODYNE LIMITED Hardy Oil and Gas pte ONGC



Producing
 Development
 Development Deferred
 PI = Participating Interest

For further information, please contact:

Company :	Investor Relations Advisors :
<p>Hindustan Oil Exploration Company Ltd. CIN: L11100GJ1996PLC029880</p> <p>G. Josephin Daisy jdaisy@hoec.com</p> <p>www.hoec.com</p>	<p>Stellar IR Advisors Pvt. Ltd. CIN: U74900MH2014PTC259212</p> <p>Gaurang Vasani/ Pooja Dokania vgaurang@stellar-ir.com/ dpooja@stellar-ir.com</p> <p>www.stellar-ir.com</p>

Glossary



2P	-	Proved + Probable reserves
BCF	-	Billion Cubic Feet of Gas
GGG	-	Gas Gathering Station
M-GPP	-	Modular Gas Processing Plant
MMbbls	-	Million Barrels of Oil
MMSCFD	-	Million Standard Cubic Feet per Day
MMSCMD	-	Million Standard Cubic Meter per Day
STOIIP	-	Stock Tank Oil Initially In Place
GIIP	-	Gas Initially In Place
PI	-	Participating Interest
PSC	-	Production Sharing Contract
EC	-	Environmental Clearance